

**THE CALIFORNIA DEBT AND
INVESTMENT ADVISORY COMMISSION**

Presents

**THE MECHANICS
OF
A BOND SALE**

San Diego, California
October 27-28, 2004

Sheraton San Diego Hotel and Marina

**California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814**

FIRST CLASS

THE MECHANICS OF A BOND SALE

ABOUT THE PROGRAM

Mechanics of a Bond Sale is a one and one-half day seminar designed to provide public officials and their staff with an in-depth understanding of the debt issuance and management process. The seminar covers the process of developing a debt policy and considerations essential to structuring a financing. The program also focuses on the various legal documents required in a bond transaction, the importance of credit enhancement, and information on marketing and pricing the bond. In addition, topics will include understanding arbitrage rebate, the investment of bond proceeds, and finally, the important task of ongoing debt administration.

WHO SHOULD ATTEND

This seminar is intended for public agency officials and their staff interested and/or involved with the issuance of municipal debt. Representatives of cities, counties, school districts, special districts, redevelopment agencies, and elected officials are especially encouraged to attend. Participants should have some experience in public finance prior to attending this seminar.

GENERAL INFORMATION

Registration is limited to public agency officials and their staff. *No walk-in registrations will be accepted.* Full refunds will be made to registered participants if CDIAC cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. **No refunds will be honored for cancelled registrations after the seminar registration deadline of October 8, 2004. Late registrations will be accepted after October 8, 2004, if space is available.**

LODGING

Hotel reservations should be made with the Sheraton San Diego Hotel and Marina, 1380 Harbor Island Drive, San Diego, CA 92101. The phone number is (619) 692-2200. A special room rate of \$110 is available to seminar participants. When making reservations, please indicate that you are attending the CDIAC Mechanics of a Bond Sale Seminar / Tools To Revitalize California Communities Symposium. **The deadline for the special hotel reservation rate is October 8, 2004.**

ABOUT CDIAC

The California Debt and Investment Advisory Commission (CDIAC) provides information, education and technical assistance on public debt issuance and investments to local public agencies and other public finance professionals. To carry out its responsibilities, CDIAC maintains a database of all public debt issued in California, conducts a continuing education program, publishes a monthly newsletter with debt issuance data and informative articles, and conducts research to develop reports, guidelines, and briefs on topical public finance issues.

The California Debt and Investment Advisory Commission complies with the Americans with Disabilities Act (ADA).

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REGISTRATION FORM

To register, please complete this form and return it to the California Debt and Investment Advisory Commission. One form is required for each participant. **Payment of the registration fee must be enclosed.** No refunds will be honored after the **seminar registration deadline of October 8, 2004.** *You will receive a confirmation notice once a registration form and check are received by CDIAC.*

Name _____

Title _____

Agency _____

Street _____

City/State/Zip _____

Telephone _____ FAX _____

Email: _____

☐ **Registering for just the Mechanics of a Bond Sale Seminar: \$195.00**

☐ **I will also be attending the Tools Symposium: \$25.00**

☐ **I plan on the optional off-site event: \$10.00**

☐ **Please also include a California Debt Issuance Primer for an additional \$25.00**

Enclosed is my check for \$ _____

Make check(s) payable to:

California Debt and Investment Advisory Commission

Mail your registration to:

Seminar Programs

California Debt and Investment Advisory Commission

915 Capitol Mall, Room 400

Sacramento, CA 95814

Phone: (916) 653-3269

FAX: (916) 654-7440

The California Debt Issuance Primer is a comprehensive reference document regarding public debt issuance in California. While not required for the seminar, the Primer provides seminar participants with an extensive overview of the debt financing alternatives available to California public agencies. It is published by the California Debt and Investment Advisory Commission and is sold to the public for \$25 to cover the costs of printing and mailing. **Primers that are purchased in conjunction with the seminar fee will be mailed after the seminar date.*

LOCATION

In the Harbor of San Diego, close to downtown San Diego, Old Town San Diego, Seaport Village, and Mission Bay. Approximately a half-mile from San Diego International Airport. Complimentary airport shuttle from San Diego International Airport.

SHERATON SAN DIEGO HOTEL AND MARINA

1380 Harbor Island Drive

San Diego, California 92101

877 734-2726 (toll-free)

www.sheraton.com/sandiegomarina

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AGENDA

WEDNESDAY, OCTOBER 27, 2004

1:00 p.m. **Registration and distribution of seminar materials**

1:30 p.m. **Seminar Welcome and Opening Remarks**
Lisa M. Harris, Executive Director
California Debt and Investment Advisory Commission

SESSION I

1:45 p.m. **Developing A Debt Management Policy:** This session covers the purpose and develop of a debt management policy. It also highlights the importance of debt capacity and affordability analysis. The speakers provide guidance on policy maintenance and updates, as well as real life examples of how local government officials have used their debt management policies.

David Brodsly, Kelling, Northcross & Nobriga
Mary Vattimo, City of San Diego

2:45 p.m. **Break** (*Complimentary Snacks and Beverages*)

SESSION II

3:00 p.m. **Structuring the Financing:** This session covers the key points to consider in structuring a financing once the decision to issue debt has been made and the plan of finance has been developed. An underwriter addresses the process of identifying debt financing alternatives, sizing the debt issue, calculating and scheduling debt service, and determining the many features of the issue. In addition, the pros and cons of fixed versus variable rate financing will be discussed.

Scott Nagelson, Bank of America

4:30 p.m. **End of the First Day of the Program**

SESSION V

1:00 p.m. **Marketing and Pricing an Issue:** This session covers the roles and responsibilities of issuers and financing professionals in marketing and pricing an issue. A financial advisor and an issuer discuss how market forces can impact the demand for debt, and the steps an issuer can take to ensure lowest cost of funds.

Tim Schaefer, Fieldman Rolapp & Associates
Jay Goldstone, City of Pasadena

1:45 p.m. **Break**

SESSION VI

2:00 p.m. **Understanding Arbitrage:** This session focuses on federal arbitrage rules and requirements. Speakers will discuss the different arbitrage restrictions and arbitrage rebate requirements, exemptions to federal limitations, which funds are subject to arbitrage regulations, when to calculate and how to prepare for the calculation of arbitrage rebate liability and current “yield-burning” issues. Speakers also will walk participants through a real-life arbitrage rebate calculation.

Ann Pelej, MuniFinancial
Randee Travis, Southwest ARIMAX Company

3:15 p.m. **Break**

THURSDAY, OCTOBER 28, 2004

8:00 a.m. **Check-in**
(Complimentary rolls and coffee)

SESSION III

8:30 a.m. **The Legal Documents:** This session provides an overview of the roles and responsibilities of the issuer and the financing team in preparing the legal documents for the debt issuance. Bond counsel addresses the process of negotiating the terms of the documents, the importance of issuer involvement in drafting the Preliminary Official Statement and Official Statement, and the commitments contained in these documents. Two representatives from the Municipal Advisory Council of Texas will discuss the Central Post Office disclosure facility.

Sam Sperry, Orrick Herrington & Sutcliffe LLP
Laura Slaughter, Municipal Advisory Council of Texas
Terrance Spencer, Municipal Advisory Council of Texas

10:00 a.m. **Break**

SESSION IV

10:15 a.m. **Approaches to Credit Enhancement:** This session examines different approaches to credit enhancement. Speakers will address the purpose of credit enhancement and its relationship to credit ratings. Also, speakers will distinguish between credit enhancement alternatives (including bond insurance and letters of credit), when it makes sense to purchase a credit enhancement, who provides credit enhancement, and how to determine which type of credit enhancement is right for a given bond issue.

Nikolai Sklaroff, Citigroup Global Markets
Jessica Stolz, Fitch Ratings

11:30 a.m. **Luncheon for all Participants and Speakers**
Luncheon Speaker: Representative, MSRB

SESSION VII

3:30 p.m. **Investing Bond Proceeds:** This session covers the permitted instruments for the investment of bond proceeds. An investment advisor, and a local official offer guidance on selecting the appropriate investment given the characteristics of the issue and arbitrage requirements. Speakers will discuss the role of an agency's overall investment objectives and investment policy in the debt issuance process, as well as the importance of on-going monitoring.

Craig Underwood, Bond Logistix
Jim Sadro, City of La Habra

SESSION VIII

4:30 p.m. **On-going Debt Administration:** This session considers on-going debt administration duties essential to good debt management practices. The presenter will cover the preparation of bond transcripts, monitoring trustee statements, continuing disclosure requirements, annual reports, establishment of debt service payments, and the monitoring of interest rates for optional call and refunding opportunities.

Frank Sulzberger, BNY Western Trust Company

5:15 p.m. **Seminar Closing and Evaluation**

Post-Seminar Event

***Tools To Revitalize California Communities:
A Mixed-Use Housing Development Symposium***

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Invites You To Attend:

The Symposium will begin with a tour of a model housing and economic development project (Optional Event). Participants will visit a housing project at the Market Creek Plaza in San Diego, California. The mixed-use housing project was the site of an old factory that has been transformed for living, retail, and workspace – creating a “Smart-Growth” community. (Tour seating is limited.)

After the tour participants will return to the San Diego Sheraton Hotel and Marina for the welcome and introductions and a luncheon. The Symposium sessions on Affordable Housing and a session on Urban Real Estate and Mixed-Use Development will begin at 1:30 p.m. and concludes at 4:30 p.m.

The cost of the symposium is \$25.00 and includes lunch. An optional tour of the Market Creek Plaza is an additional \$10.00. For more information on the symposium see the enclosed insert.